

COMBE FILL CORP.

3

A P P E A R A N C E S: (Continued)

ANDERSON RUSSELL KILL & OLICK, P.C.

Attorneys for Debtor

666 Third Avenue

New York, New York

BY: WARREN R. GRAHAM, ESQ., of Counsel

PAUL H. SCHNEIDER, ESQ.

Attorney for The State of New Jersey

C.N. 112

Trenton, New Jersey

RUDOLPH W. GIULIANI, ESQ.

Attorney for EPA

1 St. Andrew's Plaza

New York, New York

BY: ROBERT GAFFEY, ESQ., Assistant United
States Attorney



**SPECIAL PROCESSING OR SERVICE FORM
SECTION II — LIABILITY COVERAGE
PROVISIONS APPLICABLE TO SECTION II**

BMP NO. 601
(Ed. 1-64)

I. INSURING AGREEMENTS

COVERAGE C — LIABILITY:

This Company will pay on behalf of the Insured all sums which the Insured shall become legally obligated to pay as damages because of bodily injury or property damage to which this Section applies, caused by an occurrence and arising out of the ownership, maintenance or use of the premises, and all operations necessary or incidental thereto, and this Company shall defend any suit against the Insured alleging such bodily injury or property damage and seeking damages which are payable under the terms of this Section, even if any of the allegations of the suit are groundless, false or fraudulent; but this Company may make such investigation and settlement of any claim or suit as it deems expedient.

COVERAGE D — MEDICAL PAYMENTS:

This Company will pay all reasonable expenses incurred within one year from the date of accident for necessary medical, surgical, x-ray and dental services, including prosthetic devices and necessary ambulance, hospital, professional nursing and funeral services, to or for each person who sustains bodily injury, caused by accident and arising out of the ownership, maintenance or use of the premises, or operations necessary or incidental thereto.

Wherever used in Section II of this policy, the following definitions apply:

- A. "automobile" means a land motor vehicle, trailer or semitrailer, but the term "automobile" does not include any crawler or farm-type tractor, farm implement and, if not subject to motor vehicle registration, any equipment which is designed for use principally off public roads.
- B. "bodily injury" means bodily injury, sickness or disease sustained by a person and includes death resulting therefrom.
- C. "contract" means, if in writing and relating to the premises, any sidetrack agreement, any easement agreement except in connection with railroad grade crossings, any agreement required by municipal ordinance, except in connection with work for the municipality, any elevator or escalator maintenance agreement or any lease of premises agreement.
- D. "damages" includes (1) with respect to bodily injury, damages for care and loss of services, and (2) with respect to property damage, damages for loss of use of property.
- E. "insured" means (1) the Named Insured, (2) any partner therein or executive officer, director or stockholder thereof, and (3) any organization or proprietor with respect to real estate management for the Named Insured.
This insurance applies:
 1. separately to each Insured against whom claim is made or suit is brought, but the inclusion herein of more than one Insured shall not operate to increase the limits of this Company's liability;
 2. if the Named Insured is an individual, with respect to the conduct of a business only if he is the sole owner thereof;
 3. if the Named Insured is a partnership, to any partner therein only with respect to his liability as such;
 4. if the Named Insured is a corporation, to any executive officer, director or stockholder thereof only while acting within the scope of his duties as such.
- F. "Named Insured" means the person or organization named in item 1 of the declarations of the policy, and if the Named Insured is an individual and shall die, his legal representative while acting within the scope of his duties as such.
- G. "occurrence" means an event, or a continuous or repeated exposure to conditions, which causes bodily injury or property damage during the policy period that is neither expected nor intended by the Insured. All such exposure to substantially the same general conditions shall be deemed one occurrence.

SUPPLEMENTARY PAYMENTS:

This Company will pay, in addition to the applicable limits of liability:

1. all expenses incurred by this Company; all costs taxed against the Insured in any suit defended by this Company and all interest on the entire amount of any judgment therein which accrues after entry of the judgment and before this Company has paid or tendered or deposited in court that part of the judgment which does not exceed the limit of this Company's liability thereon;
2. premiums on appeal bonds required in any such suit, premiums on bonds to release attachments for an amount not in excess of the applicable limit of liability of this section, but without any obligation to apply for or furnish any such bonds;
3. expenses incurred by the Insured for first aid to others who sustain bodily injury in an accident to which this policy applies;
4. all reasonable expenses, other than loss of earnings, incurred by the Insured at this Company's request.

II. DEFINITIONS

- I. "premises" means (1) the premises designated in the Declarations of the policy and includes the ways immediately adjoining on land; (2) premises of which the Named Insured acquires ownership or rents for the purpose of conducting the Named Insured's business, if the Named Insured notifies this Company within the time limit specified in Section I of the policy for reporting newly acquired property but the insurance with respect to the newly acquired or rented premises does not apply to any loss against which the Named Insured has other valid and collectible insurance. The Named Insured shall pay any additional premium required because of the application of the insurance to such premises; (3) under Coverage C, premises alienated by the Named Insured (other than premises constructed for sale by the Named Insured or over which the Named Insured has any right of control) if the occurrence takes place after the Named Insured has relinquished possession thereof to others.
- I. "products — completed operations hazard" means:
 1. goods or products manufactured, sold, handled or distributed by the Named Insured or by others trading under his name, if the occurrence takes place after possession of such goods or products has been relinquished to others by the Named Insured or by others trading under his name and if such occurrence takes place away from the premises; provided such goods or products shall be deemed to include any container thereof, other than a vehicle, but shall not include any vending machine or any property, other than such container, rented to or located for use of others but not sold;
 2. any act or omission in connection with operations performed by or on behalf of the Named Insured on the premises or elsewhere, whether or not goods or products are involved in such operations, if the occurrence takes place after such operations have been completed or abandoned and takes place away from the premises or other locations owned, rented or controlled by the Named Insured; provided, operations shall not be deemed incomplete because improperly or defectively performed or because further operations may be required pursuant to an agreement; provided further, the following shall not be deemed to be "operations" within the meaning of this paragraph:
 - a. pick-up or delivery, except from or onto a railroad car;
 - b. the maintenance of vehicles owned or used by or in behalf of the Insured;
 - c. the existence of tools, uninstalled equipment and abandoned or unused materials.
- J. "property damage" means physical injury to or destruction of tangible property.

III. EXCLUSIONS

This policy does not apply:

- A. Under Section II:
 1. except with respect to operations performed by independent contractors and except with respect to liability assumed by the Insured under a written

contract, to the ownership, maintenance, operation, use, loading or unloading of:

- a. automobiles or watercraft if the occurrence takes place away from the premises, or
- b. aircraft;

2. under Coverage C to bodily injury or property damage for which the Insured or any indemnitee may be held liable, as a person or organization engaged in the business of manufacturing, distributing, selling or serving alcoholic beverages or as an owner or lessor of premises used for such purposes, by reason of the selling, serving or giving of any alcoholic beverage:

- a. in violation of any statute, ordinance or regulation,
- b. to a minor,
- c. to a person under the influence of alcohol, or
- d. which causes or contributes to the intoxication of any person,

and under Coverage D to any expense resulting from such selling, serving or giving of any alcoholic beverage;

3. to bodily injury or property damage, for which coverage is provided under a Comprehensive Personal Liability Endorsement forming a part of this policy;

4. to operations on or from premises other than as defined in Definition H (1) and H (2) which are owned by, rented to or controlled by the Named Insured;

5. to the demolition of any building.

B. Under Coverage C of Section II:

1. to liability assumed by the Insured under any contract or agreement, except (a) a contract as defined herein or (b) as respects the insurance which is afforded for the Products -- Completed Operations Hazard as defined, a warranty of goods or products;

2. to any obligation for which the Insured may be held liable in an action on a contract or an agreement by a person not a party thereto;

3. to any obligation for which the Insured or any carrier as his insurer may be held liable under any workmen's compensation, unemployment compensation or disability benefits law, or under any similar law;

4. except with respect to liability assumed by the Insured under a written contract insured hereunder, to bodily injury to any employee of the Insured arising out of and in the course of his employment by the Insured;

5. to property damage:

- a. to property owned or occupied by or rented to the Insured, or
- b. except with respect to liability under sidetrack agreements covered by this policy, to property used by the Insured, or
- c. except with respect to liability under such sidetrack agreements or the use of elevators or escalators at premises owned by, rented to or controlled by the Named Insured, to property in the care, custody or control of the Insured or property as to which the Insured for any purpose is exercising physical control, or
- d. to any goods, products, or containers thereof manufactured, sold, handled or distributed or premises alienated by the Named Insured, or work completed by or for the Named Insured, out of which the occurrence arises;

6. except with respect to operations performed by independent contractors, to injury to or destruction of buildings or property therein, wherever occurring, arising out of any of the following causes, if such cause occurs on or from premises owned by or rented to the Named Insured:

- a. the discharge, leakage or overflow of water or steam from plumbing, heating, refrigerating or air conditioning systems, standpipes for fire hose, or industrial or domestic appliances, or any substance from automatic sprinkler systems,
- b. the collapse or fall of tanks or the component parts or supports thereof which form a part of automatic sprinkler systems, or
- c. rain or snow admitted directly to the building interior through defective roofs, leaders, or spouting, or open or defective doors, windows, skylights, transoms or ventilators;

but this exclusion does not apply to loss due to fire, or to the use of elevators or escalators;

7. to property damage

a. arising out of blasting or explosion, other than the explosion of air or steam vessels, piping under pressure, prime movers, machinery or power transmitting equipment, or

b. arising out of the collapse of or structural injury to any building or structure due

(1) to grading of land, excavating, borrowing, filling, back-filling, tunneling, pile driving, coffer dam work or caisson work, or

(2) to moving, shoring, underpinning, razing, or demolition of any building or structure or removal or rebuilding of any structural support thereof;

c. to wires, conduits, pipes, mains, sewers, tanks, tunnels, any similar property, and any apparatus in connection therewith, beneath the surface of the ground or water, caused by and occurring during the use of mechanical equipment for the purpose of grading land, paving, excavating, drilling, borrowing, filling, back-filling, or pile driving, and property damage to any other property at any time resulting therefrom;

but this exclusion does not apply to property damage with respect to liability assumed by the Insured under any contract as defined, to operations performed for the Named Insured by independent contractors or to completed or abandoned operations within the meaning of Paragraph 2, Products -- Completed Operations Hazard, and provided further that Part a, Part b or Part c of this exclusion does not apply to operations stated, in the policy or in this Company's manual, as not subject to such Part of this exclusion.

C. Under Coverage D of Section II:

1. to bodily injury to:

a. the Named Insured, any partner therein, any tenant or other person regularly residing on the premises, or any employee of such Insured, tenant or other person arising out of and in the course of his employment therewith;

b. any other tenant of such premises or any employee of such other tenant arising out of and in the course of his employment therewith, on that part of such premises rented to such other tenant;

c. any person arising out of and in the course of his employment if benefits therefor are in whole or in part either payable or required to be provided under workmen's compensation law;

d. any person while engaged in maintenance, alteration, demolition or new construction operations for the Named Insured or for any lessee of the Named Insured or any lessor of premises rented to the Named Insured;

e. any person arising out of the products-completed operations hazard;

f. any person practicing, instructing or participating in any physical training, sport, athletic activity or contest;

2. to any expense for services by the Named Insured, any employee thereof, or any person or organization under contract to the Named Insured to provide such services;

3. in connection with the ownership, maintenance or use of premises or operations of the Named Insured rated on a remuneration premium basis or contractor's equipment rated on a receipts premium basis, to bodily injury of any person arising out of operations performed by independent contractors and general supervision of the Named Insured in connection therewith, other than

a. maintenance and repairs at premises owned by or rented to the Named Insured and

b. structural alterations at such premises which do not involve changing the size of or moving buildings or other structures;

4. in connection with the ownership, maintenance or use of premises or operations of the Named Insured rated on any premium basis other than as specified in exclusion 3, to bodily injury of any person, arising out of structural alterations which involve changing the size of or moving buildings or other structures, new construction or demolition operations, by the Named Insured or his contractors or their subcontractors.